

CHEVY CHASE VILLAGE
BOARD OF MANAGERS
SEPTEMBER 12, 2011 MEETING

STAFF REPORT

TO: BOARD OF MANAGERS
FROM: SHANA R. DAVIS-COOK, VILLAGE MANAGER 
DATE: 8/11/2011
SUBJECT: RESOLUTION TO APPROVE THE 9TH AMENDED AND RESTATED LOCAL
GOVERNMENT INSURANCE TRUST AGREEMENT

The Village is a member in the Local Government Insurance Trust, which provides our liability insurance coverage. Occasionally, the Board of Trustees recommends amendments to the Trust Agreement, which the Board believes is in the best interest of the Trust and the participating members.

The Board of Trustees has approved and is now recommending to the Membership what will be the 9th amendment to the Trust. These amendments modify the composition of the Board of Trustees in terms of the number of Trustees (from 13 to 12), and clarifies who is eligible for board service (municipal and county officials or employees). Since the inception of the Trust, the Board of Trustees has been comprised of five county Trustees, five municipal Trustees, the MML executive director, the Maryland Association of Counties (MACo) executive director and a thirteenth seat alternating between a county and municipal representative. From time to time, the swing seat has been diluted by local election outcomes or other circumstances that cut short the term of the Trustee holding that seat. Thus, the recommended amendments are intended to facilitate governance of the Trust in a more orderly fashion.

Board Action Requested

The Trust Agreement states that any amendments must be approved by two-thirds of the Trustees and the resulting amendment does not become effective until consented to by this amount. In order for the Village to consent to the proposed amendment, the Village Board must approve a Resolution stating so, and authorizing the Board Chair, Ms. Baptiste, to execute the "Member Consent and Approval" form on behalf of the Village.

Resolution No. _____
Introduced: _____
Adopted: _____

BOARD OF MANAGERS

For

Chevy Chase Village, MD

SUBJECT: A RESOLUTION APPROVING THE NINTH AMENDED AND RESTATED LOCAL GOVERNMENT INSURANCE TRUST AGREEMENT, AND AUTHORIZING AND DIRECTING THE EXECUTION AND DELIVERY OF THE MEMBER CONSENT AND APPROVAL FORM EVIDENCING CHEVY CHASE VILLAGE'S CONSENT, APPROVAL, ACCEPTANCE AND AGREEMENT TO THE NINTH AMENDED AND RESTATED LOCAL GOVERNMENT INSURANCE TRUST AGREEMENT

RECITALS

1. Political subdivisions and municipal corporations of the State of Maryland (collectively, "Local Governments"), including Chevy Chase Village are authorized by Sections 19-602 and 19-603 of the Insurance Article of the Annotated Code of Maryland (1997 Volume, as replaced, supplemented and amended (the "Act")), to pool together for the purpose of purchasing property, liability and health insurance or self-insuring such risks.

2. Pursuant to the authority granted in the Act, certain Local Governments; including Chevy Chase Village, have determined that it is necessary and desirable to participate in the Local Government Insurance Trust.

3. Chevy Chase Village has participated in the Local Government Insurance Trust since July 1, 1992.

4. The Board of Trustees of the Local Government Insurance Trust has recommended to the Trust membership certain amendments to the Eighth Amended and Restated Trust Agreement which modify the composition of the Board of Trustees and should facilitate governance of the Trust's affairs by the Board of Trustees.

5. Pursuant to Section 11.02 of the Trust Agreement, the Ninth Amended and Restated Local Government Insurance Trust Agreement is not effective until consented to and approved by two-thirds of the Members.

6. The amendments have been presented to the Trust membership in the form of a two-page document entitled Recommended Amendments to the Eighth Amended and Restated Trust Agreement, and which the specific amendments to Article II, Section 2.02 have been reviewed by the Chevy Chase Village Board of Managers.

7. The Chevy Chase Village Board of Managers has determined that it is in the best interests of the Village to approve the Ninth Amended and Restated Local Government Insurance Trust and to direct the execution and delivery of, the Member Consent and Approval to be dated as of _____.

NOW, THEREFORE, BE IT RESOLVED by the Chevy Chase Village Board of Managers that:

SECTION 1. The Ninth Amended and Restated Local Government Insurance Trust Agreement in the form attached hereto as Exhibit A, is hereby approved.

SECTION 2. The Chairman of the Chevy Chase Village Board of Managers is hereby authorized and directed to execute and deliver to the Trust the Member Consent and Approval in substantially the form attached hereto as Exhibit B.

SECTION 3. All officials, employees and agents of Chevy Chase Village are hereby authorized and directed to take any and all action necessary or appropriate to effect the participation of Chevy Chase Village in the Trust under the terms set forth in the Ninth Amended and Restated Local Government Insurance Trust Agreement and to execute and deliver all documents, instruments, certificates, and opinions necessary or appropriate in connection therewith.

SECTION 4. The Recitals to this resolution are hereby declared to be, and shall at all times and for all purposes be deemed to be, the findings of Chevy Chase Village in connection with its decision to participate in the Trust under the terms set forth in the Ninth Amended and Restated Local Government Insurance Trust Agreement.

SECTION 5. This resolution shall become effective immediately upon its adoption.

CHEVY CHASE VILLAGE

Patricia S. Baptiste, Chairman
Board of Managers
Chevy Chase Village

ATTEST:

Allison W. Shuren, Secretary

Date of adoption: _____

Exhibit A

RECOMMENDED AMENDMENTS TO THE EIGHTH AMENDED AND RESTATED LOCAL GOVERNMENT INSURANCE TRUST AGREEMENT

ARTICLE II

TRUSTEES

2.01 Qualifications of a Trustee.

(a) A Trustee who is either elected by the Members or appointed by the Trustees shall be an elected or appointed official or an employee of a Local Government.

(b) A Trustee shall not be employed by or have any financial interest in any company providing service to the Trust.

2.02 Composition of Board of Trustees.

(a) The Trust shall be administered by a Board of Trustees consisting of ~~thirteen voting~~ twelve members as follows:

(1) Five (5) Trustees elected by the Members ~~will represent municipal Members~~ shall be municipal officials or employees.

(2) Five (5) Trustees elected by the Members ~~will represent county Members~~ shall be county officials or employees.

~~(3) One Trustee appointed by the Trustees will represent a member of MACo or MML.~~

(34) The Executive Director of MACo will serve as an ex-officio Trustee.

(45) The Executive Director of MML will serve as an ex-officio Trustee.

No Local Government shall be represented by more than one (1) Trustee on the Board of Trustees. For purposes of this paragraph (a), Baltimore City shall be deemed a county and not a municipality.

(b) All Trustees elected by the Members shall serve for a term of three (3) years.

2.03 Election of Trustees. The initial Trustees shall provide in the Bylaws for the form and method of election of subsequent Trustees.

2.04 Resignation of a Trustee. A Trustee may resign by giving at least thirty (30) days prior notice in writing sent by registered mail to the Chairman of the Trustees. Such notice shall state the date said resignation shall take effect, and such resignation shall take effect on such date.

2.05 Removal of Trustees. A Trustee shall be removed from office if he fails to meet the qualifications of Section 2.01 hereof, fails to attend three (3) consecutive meetings of the Board or is terminated for cause by a two-thirds (2/3) vote of the Trustees. Upon removal of a Trustee, the position shall be filled pursuant to Section 2.06 hereof.

2.06 Substitute Trustees. In the event a Trustee resigns, is removed or is otherwise unable to serve, the Board of Trustees shall appoint a substitute Trustee to fulfill his or her term of office.

Any Trustee, upon leaving office, shall forthwith turn over and deliver to the principal office of the Trust, any and all records, books, documents or other property in his possession or under his control which belong to the Trust.

2.07 Executive Committee. The Trustees may appoint an Executive Committee of not less than three (3) Trustees, one of which is the Chairman of the Board of Trustees. The Trustees may delegate in writing to the Executive Committee such powers and duties as the Trustees deem appropriate and desirable except the exercise of those powers for which a two-thirds (2/3) majority vote of the Trustees is required. The Executive Committee shall meet as determined by the Chairman of the Board of Trustees.

[There are no amendments proposed in Sections 2.03 through 2.07 of Article II]

March 1, 2011

Language to be deleted is shown with a ~~strikethrough~~.
Language to be added is shown in **bold and underlined**.

LOCAL GOVERNMENT INSURANCE TRUST

MEMBER CONSENT AND APPROVAL

The Member named below hereby approves and consents to the foregoing amendments to Article II, Section 2.02 of the Eighth Amended and Restated Local Government Insurance Trust Agreement dated as of July 1, 2004 (the "Trust Agreement") and, by approval of the recommended amendments, does hereby consent to, approve, accept and agree to the Ninth Amended and Restated Local Government Insurance Trust Agreement, as witness the signature of the undersigned authorized officer.

(SEAL)

Name of Member

ATTEST:

Attesting Officer

By: _____
Authorized Officer

Title of Attesting Officer

Title of Authorized Officer

Date of Consent and Approval: _____

